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# In the Supreme Court of the United States

OCTOBER TERM, 1968

No. 600

ARCHITECTURAL MODELS, INC., a California corporation,

*Petitioner,*

vs.

NILS C. NEKLASON and DONALD NUSBAUM doing business as SCALE MODELS UNLIMITED,

*Respondents.*

## Petition for Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

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# In the Supreme Court of the United States

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ARCHITECTURAL MODELS, INC., a California corporation,

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vs.

NILS C. NEKLASON and DONALD NUSBAUM doing business as SCALE MODELS UNLIMITED,

*Respondents.*

## Petition for Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

Petitioner, ARCHITECTURAL MODELS, INC., prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Ninth Circuit entered in the above case on July 11, 1968.

### OPINIONS BELOW

The unreported proceedings in the U. S. Patent Office on Petition to Make Special, and the decision of the Patent Office Board of Appeals on the Petition (Ex 2, pp 43-50 & 71-73) are reproduced in the Appendix at pages A1-A9.

The opinion of the District Court for the Northern District of California (R31-51)* is reported at 264 F. Supp. 312, 152 USPQ 724, and is reproduced in the Appendix at pages A10-A26.

The opinion of the Court of Appeals for the Ninth Circuit (R69 & 70) is unreported at the time of preparation of this Petition and is reproduced in the Appendix at pages A29 & A30.

## JURISDICTION

The judgment of the Court of Appeals for the Ninth Circuit was made and entered on July 11, 1968, and a copy thereof is appended to this Petition in the Appendix at page A31. The jurisdiction of this Court is invoked under 28 USC §§ 1254 and 2101.

## QUESTIONS PRESENTED

1. What is the invention which is protected by a patent; is it the invention as defined by a claim in the patent, or is it something more or less than the invention as defined by a claim?

2. Where the U.S. Patent Office has granted a patent upon the express representation that a particular machine infringes some claims of the patent, and where the patent contains claims which literally define that machine, should a court hold that the particular machine does not infringe the patent because the claims are narrower than their express terms?

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*Vols. 2 through 7 of the record are six volumes of Reporter's Transcript with pages consecutively numbered and are cited Tr followed by page number. Vol. 1 of the record is numbered separately from the other volumes and is cited R followed by page number. Exhibits are cited Ex followed by number. The Appendix is cited by A followed by page number.

3. Should this Court resolve the conflict which here exists between the Patent Office and the lower federal courts in interpreting patent claims where:

(a) the Patent Office interprets a claim literally when it negotiates the scope of a patent with the inventor, but

(b) the courts, without holding the patent invalid, hold that the claim is narrower than its literal meaning?

4. Should the range of equivalents afforded to an inventor be so narrow that a rack and pinion connection is not the equivalent of a screw connection merely because the inventor has not built a large machine with the screw connection shown in his patent?

5. To what extent does 35 USC § 112, enacted in 1952, modify the prior decisions of this Court in *Halliburton Oil Well Cementing Co. v. Walker*, 329 U.S. 1 (1946) and *Continental Paper Bag Co. v. Eastern Paper Bag Co.*, 210 U.S. 405 (1908)?

## STATUTES INVOLVED

The recodification of the patent laws in 1952 provided a new provision in the last paragraph of § 112. This section reads as follows:

> "The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

"The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention. A claim may be written in independent or dependent form, and if in dependent form, it shall be construed to include all the limitations of the claim incorporated by reference into the dependent claim.

"An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof." (35 USC § 112, 66 Stat. 798, as amended by 79 Stat. 261)

## STATEMENT OF THE CASE

In 1960, Mrs. Johnston and Miss Green invented a machine for making topographical models and subsequently assigned the invention to the petitioner corporation which they own and operate (Ex A & Ex NN). The inventors filed a patent application to protect the machine (Ex 2). While the patent application was pending in the Patent Office, the machine was used for making topographical models in petitioner's model-making business (Ex J). Respondents were employees of petitioner during this period, and respondent Neklason was the principal user of the machine (R8, Tr 216-7).

In 1962, respondents left petitioner's employ to start their own model making business in competition with petitioner (Ex X & Ex YY). In the course of their new business, respondents built a machine for making topographical models (R25), and some time later, petitioner learned about that machine (A2).

At this point in time, petitioner's patent application was still pending in the Patent Office and petitioner attempted to speed up issuance of its patent by a procedure in the Patent Office known as a "Petition to Make Special". Under this procedure, the Patent Office will examine a patent application ahead of its normal chronological turn if the applicant makes a showing that normal Patent Office delays will prejudice the applicant's position. One of the grounds for a Petition to Make Special is the fact that a third party is already doing that which would infringe the patent which the applicant is attempting to get (A1-A9 and See: Seidman & Horwitz, *Patent Office Rules & Practice*, Mathew-Bender Company, pp. 366-369 (1967)).

When the inventors filed their Petition to Make Special they filed an affidavit of Mrs. Johnston (A2) informing the Patent Office of the existence of respondents' machine and giving the patent examiner a sketch (A4) and written description of respondents' machine. They also filed an affidavit of their patent attorney (A5), as required by the Patent Office, stating that the attorney believed that some of the claims in petitioner's application were "unquestionably infringed" by respondents' machine. At the time the Petition to Make Special was filed, the claims in the inventor's application defined their invention in a way that was also a literal definition of respondents' machine, and the language of the claims was never changed thereafter (Ex 2). This "literal infringement" is discussed below.

The Petition to Make Special was granted by the Patent Office Board of Appeals "for the reason—infringement—set forth in the prior petition and supporting affidavits." (A9)

Immediately after the Petition to Make Special was granted, the Patent Office allowed petitioner's patent application (Ex 2, p. 76). Shortly thereafter the inventors paid

the final Patent Office fee to have their patent granted (Ex 2). In doing this, the inventors gave up their right to keep their invention secret and caused their invention to be published in Letters Patent, believing that by taking the patent, they received patent protection on the invention defined by their claims (A5).

Shortly after the patent was granted, petitioner sued respondents for infringement. Jurisdiction of the District Court was based on 28 USC § 1338.

The courts below appreciated that some of petitioner's patent claims upon which the suit was based were literal definitions of respondents' machine (R36 & R41 discussed below). Notwithstanding the fact that respondents' machine met the literal meanings of the claims, the courts below held that the claims must be construed to be narrower than their literal terms and that, as so construed respondents did not infringe them. Such holdings were in direct conflict with the Patent Office holding of infringement when the Petition to Make Special was granted, and yet neither court acknowledged or attempted to rationalize the conflict between its holding and the Patent Office holding.

One of petitioner's machines is shown in Illustration 1 (Ex II). This machine includes a table, an overhead frame, and a lifting mechanism for raising and lowering the overhead frame. This lifting mechanism includes four jackscrews at the upper corners of the machine and a chain drive which operates all four jackscrews in unison. The topographical model being made on the machine is suspended upside down from the overhead frame, and a topographical map is taped onto the table. A router assembly rests on the map and has an upwardly facing cutter which cuts into the model in vertical alignment with a pointer near the map. The operator of the machine pushes the router assembly around the table keeping the pointer on one of

ILLUSTRATION I—Petitioner's Machine, Ex. II

the contour lines of the map while the cutter cuts a shelf in the overhead model with the same shape as the contour line. The lifting mechanism is adjusted to move the model for every contour line so that the shelf for each contour line is cut into the model at different level (Ex M).

Petitioner's patent (Ex M) shows two machines, one shown in Figs. 3-5 similar to the machine shown in Illustration 1, and the other shown in Illustration 2 which is a reproduction of Figs. 1 and 2 of petitioner's patent. The principal difference between these two machines lies in the structural arrangement for making the vertical adjustment between contour levels. In the machine of Illustration 2, the cutter 32 is moved up or down instead of moving the model down or up, and this adjustment is made by the screw thread connection between elements 24 and 26. Petitioner has never built the structure shown in Illustration 2 (R28). Prior to the time respondents left petitioner's employ, the machine of Illustration 2 was disclosed in petitioner's patent application and described as the preferred form of the invention (Ex M).

In both forms of petitioner's machines, the map and the model face toward each other so that the model which is made is a mirror image of the map which the operator sees. For this reason, petitioner operates its machine by placing a mirror image or reverse print map on the table (Ex M).

Respondents' machine is shown in Illustration 3 which is a reproduction of Figs. 1, 2 and 4 of a patent which respondents obtained for improvements over petitioner's machines.* This machine differs from petitioner's machine

*Neither respondents nor either of the courts below have ever contended that the issuance of respondents' improvement patent gives respondents the right to make their machine if the machine incorporates the invention of petitioner's prior patent. See: 35 USC § 154.

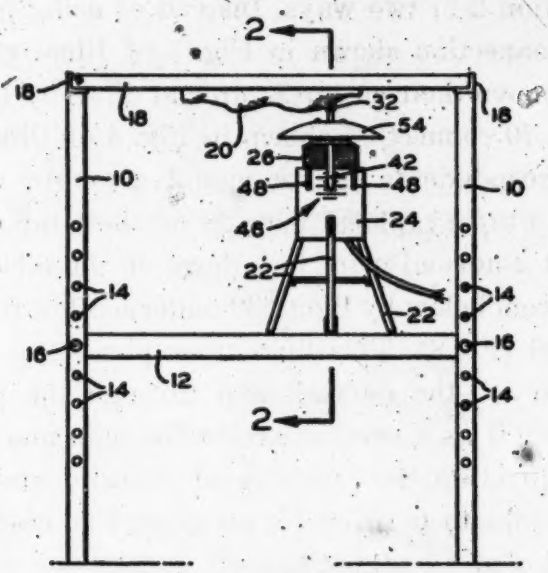



FIG. 1.

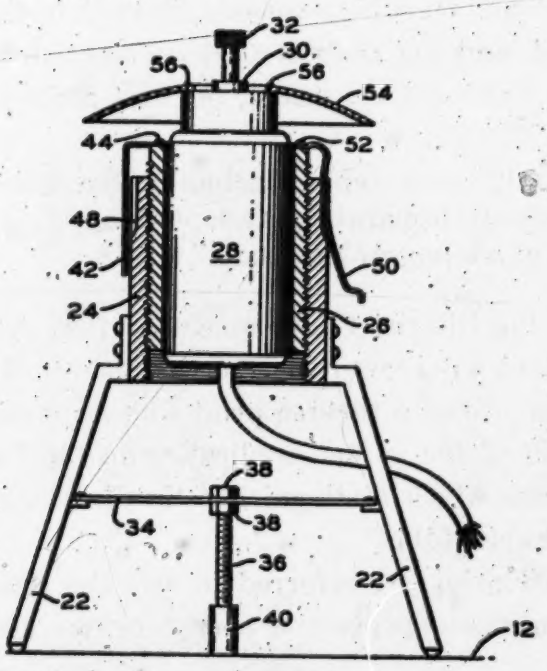



FIG. 2.

ILLUSTRATION 2—Figs. 1 and 2 of Petitioner's Patent, Ex. M

of Illustration 2 in two ways. Instead of using petitioner's threaded connection shown in Fig. 2 of Illustration 2, respondents move their cutter 22 up and down by the rack 52 and pinion 70 connection shown in Fig. 4 of Illustration 3. Secondly, respondents do not mount a mirror or reverse print of the topographical map 28 on their table. Instead, they mount a normal print face down on the table and illuminate it from below by lights 30 underneath a transparent table top 26 (Ex 8). This light table permits the machine operator to see the normal map through the paper and thereby view it as a reverse print. The map must look like a reverse print to the operator of respondents' machine, just as it looks to petitioner's operator (Tr 654).

Claims 4 and 14 of petitioner's patent are reproduced at A31 and A32. Claim 4 relates to the machine as a whole and Claim 14 relates to the vertically adjustable router assembly apart from the remainder of the machine.

Respondents' machine responds literally to the language of Claim 4, and the District Court appreciated this when it said in Finding 9 concerning the only claim language in issue:

> "Literally, any table (including the lower table of defendants' apparatus, is adapted to support a reverse print of a topographical map." (R41)

However, the District Court concluded that this language must be given a narrower construction than its literal terms because the use of a reverse print was emphasized during prosecution of the patent application in the Patent Office as a feature which distinguishes the invention from the cited prior art (R41).

The cited prior art referred to was the Shaver patent (Ex 3B) in which the machine operator saw a normal image

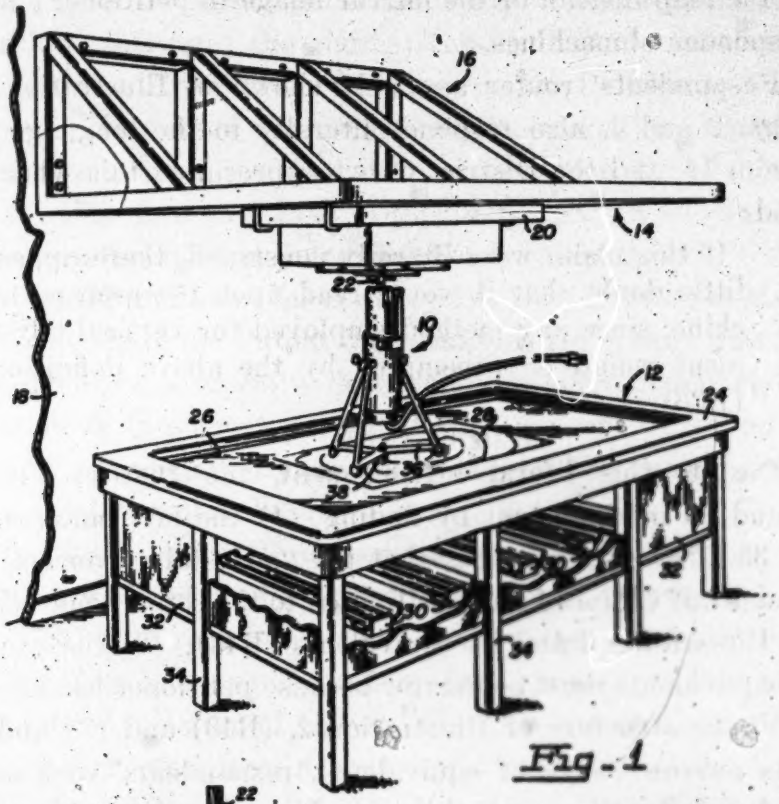



Fig. 1

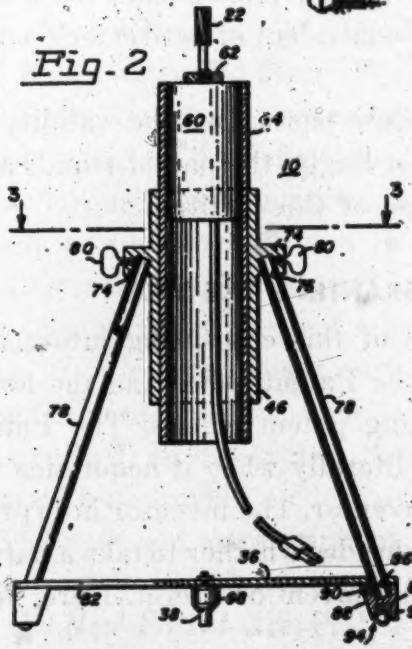



Fig. 2

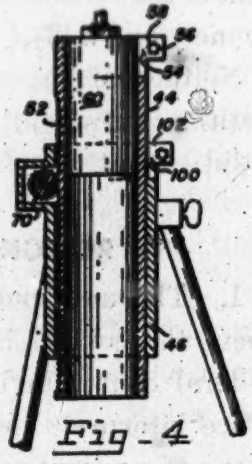



Fig. 4

ILLUSTRATION 3—Figs. 1, 2 and 4 of Respondents' Patent, Ex. 8

of the map instead of the mirror image in petitioner's and respondents' machines.

Respondents' router assembly shown in Illustration 3, Figs. 2 and 4, also responds literally to the language of Claim 14, and the District Court appreciated this when it said:

> "If this claim were literally construed, there appears little doubt that it would read upon the accused machine, since any method employed for vertical adjustment would be preempted by the above definition." (R36)

Despite this literal infringement, the District Court found no infringement by finding (1) the last paragraph of 35 USC §112 requires that the "adjustable connecting means" of Claim 14 must be limited to the screw connection of Illustration 2 and its equivalents (R43), (2) the range of equivalents must be narrow because petitioner has never built the structure of Illustration 2, (R43) and (3) under this narrow range of equivalents, respondents' rack and pinion connection is not the equivalent of petitioner's screw connection (R43).

Neither of the courts below passed on the validity of petitioner's patent, and accordingly, the patent stands as a valid patent for the purpose of this Petition.

## REASONS FOR GRANTING THE WRIT

1. The undisputed facts of this case bring into sharp focus the conflict between the Patent Office and the lower federal courts in interpreting patent claims. The Patent Office interprets the claims literally when it negotiates the scope of a patent with the inventor. The inventor interprets the claims literally when he decides whether to take a patent with those claims or keep his invention secret. Here, both

the Patent Office and petitioner believed that respondents' machine infringed the claims; this is the only conclusion to be drawn from the proceedings on the Petition to Make Special. In conflict are the courts' determinations that the claims are narrower than their express meanings.

2. This is a rare case in that it presents a simple and clear conflict in claim interpretation between the courts and Patent Office. Patent cases rarely involve a Petition to Make Special where the Patent Office has ruled expressly that the machine of a prospective defendant infringes a patent claim. Rarely is this court presented with a simple question of claim interpretation unencumbered with the usual factual issues of patent validity.

3. The District Court employed a novel concept, citing no authority, when it held that the last paragraph of 35 USC §112 required a claim construction narrower than its express meaning. In announcing this concept the court raised the question of how far the 1952 Patent Act revised this Court's decisions in *Continental Paper Bag Co. v. Eastern Paper Bag Co.*, 210 U.S. 405 (1908), and *Halliburton Oil Well Cementing Co. v. Walker*, 329 U.S. 1 (1946).

In the *Paper Bag* case, this Court approved a literal construction of the definition of a feature in a patent claim as a "means" having structural aspects for accomplishing a result, as petitioner's claim 14 defines the "adjustable connecting means" as a "means" having structural connections for accomplishing vertical adjustment.

In *Halliburton*, this Court struck down the "means" plus function claim where no structural aspect of the means was recited. In doing this, the Court cited the *Paper Bag* case with approval.

The new last paragraph of § 112 apparently had some effect on the *Halliburton* case as indicated in *Commentary on the New Patent Act*, P. J. Federico, United States Code

Annotated, West Publishing Co. Title 35, Vol. 1, Page 1, where the author said at page 25,

> "The last paragraph of section 112 relating to so-called functional claims is new. It provides that an element of a claim for a combination . . . may be expressed as a means or step for performing a specified function, without the recital of structure, material or acts in support thereof. It is unquestionable that some measure of greater liberality in the use of functional expressions in combination claims is authorized than had been permitted by some court decisions, and that decisions such as that in Halliburton Oil Well Cementing Co. v. Walker, 67 S.Ct. 6, 329 U.S. 1, 91 L.Ed. 3 (1946) are modified or rendered obsolete, but the exact limits of the enlargement remain to be determined."

Since the new patent act was passed, this Court has not had the opportunity to determine what effects, if any, the new provision of §112 has on the Court's prior decisions. The new statute may permit claiming a means plus function "without the recital of structure . . . in support thereof", provided the claim is construed to be narrower than its terms, but the District Court's new theory goes beyond this and applies the narrowing construction to all "means" claims even the "means" claims which do recite structure as approved in the *Paper Bag* case.

4. Regardless of the effect of § 112 on this Court's decisions, and assuming that the new statute permits narrowing construction of all claims, the lower courts have departed in this case from this Court's interpretation of the "Doctrine of Equivalents". The classic statement of this Court on the "Doctrine of Equivalents" is the statement of Mr. Justice Jackson in *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 339 U.S. 605, 607-608 (1950):

> "In determining whether an accused device or composition infringes a valid patent, resort must be had in

the first instance to the words of the claim. If accused matter falls clearly within the claim, infringement is made out and that is the end of it.

But courts have also recognized that to permit imitation of a patented invention which does not copy every literal detail would be to convert the protection of the patent grant into a hollow and useless thing. Such a limitation would leave room for—indeed encourage—the unscrupulous copyist to make unimportant and insubstantial changes and substitutions in the patent which, though adding nothing, would be enough to take the copied matter outside the claim, and hence outside the reach of law. One who seeks to pirate an invention, like one who seeks to pirate a copyrighted book or play, may be expected to introduce minor variations to conceal and shelter the piracy. Outright and forthright duplication is a dull and very rare type of infringement. To prohibit no other would place the inventor at the mercy of verbalism and would be subordinating substance to form. It would deprive him of the benefit of his invention and would foster concealment rather than disclosure of inventions, which is one of the primary purposes of the patent system.

The doctrine of equivalents evolved in response to this experience. The essence of the doctrine is that one may not practice a fraud on a patent. Originating almost a century ago in the case of Winans v. Denmead, 15 How. 330, it has been consistently applied by this Court and the lower federal courts, and continues today ready and available for utilization when the proper circumstances for its application arise. 'To temper unsparing logic and prevent an infringer from stealing the benefit of an invention'[1] a patentee may invoke this doctrine to proceed against the producer of a device 'if it performs substantially the same function in substantially the same way to obtain the same result.' Sanitary Refrigerator Co. v. Winters, 280 U.S. 30, 42.

> The theory on which it is founded is that 'if two devices do the same work in substantially the same way, and accomplish substantially the same result, they are the same, even though they differ in name, form, or shape.' Machine Co. v. Murphy, 97 U.S. 120, 125. The doctrine operates not only in favor of the patentee of a pioneer or primary invention, but also for the patentee of a secondary invention consisting of a combination of old ingredients which produce new and useful results, Imhaeuser v. Buerk, 101 U.S. 647, 655, although the area of equivalence may vary under the circumstances." 339 U.S. 607-608.

The Courts below found non-infringement of Claim 14 solely because the rack and pinion in respondents' machine was not the equivalent of the screw connection in petitioner's machine. Petitioner did not invent the screw, and respondents did not invent the rack and pinion. When respondent Neklason testified about the respondents "invented" the rack and pinion, he described his state of mind as follows:

> "Q. Did you feel that the rack and pinion adjustment was new because of the fact that it was a rack and pinion or because of the fact that it provided the vertical adjustment of the machine in the router assembly?"
>
> A. We felt it was new because it provided the vertical adjustment in the machine. The rack and pinion idea itself is an old idea." (Tr 626)

It is difficult to imagine two more classic equivalents than the screw and the rack and pinion regardless of how narrow the range of equivalents may be. Both devices are centuries old, so old that the identity of their inventors is lost in antiquity.

The screw and rack and pinion are recognized as equivalent lifting devices. See: *Encyclopedia Britannica*, William Benton, Publisher (1958), Vol. 12, p. 850, where the entry under the term "JACK" includes the following:

"There are many different applications of 'jack' to certain levers and other parts of textile machinery; the principal mechanical application of the word, however, is to a portable hand-worked appliance for raising weights from below. Jacks range in power from a few hundred weights to 500 tons; the simple type is a crowbar pivoted in an upright frame, giving a direct and rapid lift. To this simple pivoted lever have been added a *screw* turned by a tommy-bar, ratchet devices, *pinion and rack*, etc., for increasing power or rapidity of action; and special forms have been evolved for use with motor cars, tram-cars, cable-drums, locomotives, railway and tram rails, ships, etc." (Emphasis added)

See also: *Dear Rubber Mfg. Co. v. Killian*, 106 F.2d 316 (8th Cir., 1939), where the Court said:

"... a rack and pinion gear drive is a well-known substitute for a friction drive even in the most narrow range of equivalents." (106 F2d at 319)

5. Not only did the lower courts misapply the "doctrine of equivalents", but also they did so for a reason that finds no logic in the patent laws. The courts' sole reason for applying a narrow range of equivalents to Claim 14 was the fact that petitioner had not built the machine shown in Figs. 1 and 2 of its patent. Why should that fact make any difference to the scope of the claim? The purpose of the patent laws is to promote publication of inventions. Nowhere in the patent statute is there any requirement that the inventor build his invention. The *Paper Bag* case, supra, involved a patent on a machine which had never been built, and the Court did not construe the claims of that patent to be narrower than their literal meaning.

6. This Court should resolve the conflict in claim construction which exists between the courts and the Patent Office. The courts should always hold a patent claim invalid

if the claim should not have been granted by the Patent Office under the patent laws. The courts should not hold, however, that the Patent Office has not granted a claim which it purported to grant, but instead a claim which is broader or narrower than its meaning.

It has been axiomatic in our patent system for years that "the claim defines the invention". See: *Smith v. Snow*, 294 U.S. 1, 11 (1935) where the Court said:

> "We may take it that, as the statute requires, the specifications just detailed show a way of using the inventor's method, and that he conceived that particular way described was the best one. But he is not confined to that particular mode of use since the claims of the patent, not its specifications, measure the invention. Paper Bag Patent Case, 210 U.S. 405, 419; McCarty v. Lehigh Valley R. Co., 160 U.S. 110, 116; Winans v. Denmead, 15 How. 330, 343."

To hold otherwise is to invite a chaotic condition arising out of uncertainty in the industries where patents are important. If no one short of a court can reliably determine from the language of a patent claim what a business man can or cannot do then the patent system stifles rather than promotes the progress of the useful arts.

It is respectfully submitted that this Petition should be granted and the decisions of the courts below reversed. The case may then be remanded for the lower courts to determine under the patent laws whether or not the patent in suit should have been granted with claims which mean what they say.

Respectfully submitted,

JAS. M. NAYLOR
*One of Petitioner's Attorneys*

(Appendix Follows)

## *Appendix*


Patent Office Proceedings on Petition to Make Special (Ex 2, pages 43-50 and 71-73)

Petition to Make Special ..... A1

Affidavit of Leila M. Johnston ..... A2

Affidavit of Karl A. Limbach ..... A5

Order of Board of Appeals ..... A9

Opinion of District Court (R-31-51) ..... A10

Judgment of District Court (R-52, 53) ..... A27

Opinion of Court of Appeals (R-69, 70) ..... A29

Judgment of Court of Appeals (R-71) ..... A31

Claim 4 of Green et al Patent (Ex M) ..... A31

Claim 14 of Green et al Patent (Ex M) ..... A32

## PETITION TO MAKE SPECIAL

Honorable Commissioner of Patents
Washington 25, D. C.

Sir:

Applicants in the above identified application hereby petition to have this application made special for the reason that one of applicants' competitors is infringing claims which applicants hope to have allowed in this application. The existence of this infringement is shown by the attached affidavit of Leila M. Johnston, one of the applicants, and the affidavit of one Karl A. Limbach, one of applicants' attorneys.

This application has received full examination on the merits and all of the claims in the application are now under final rejection. As far as applicants are aware, the most pertinent prior art references are of record in the application. A full response to the Examiner's final rejection is enclosed herewith by way of a notice of appeal and applicants' brief on appeal. The granting of this petition is requested so that the application may be considered special during the pendency of the appeal and any further delay in the issuance of applicants' patent may be avoided.

The attached affidavit indicates that applicants have been diligent in prosecuting this application and in presenting this petition to make special ever since learning of the infringing activities of applicants' competitor.

For these reasons, it is respectfully submitted that this petition should be granted.

Respectfully submitted,
NAYLOR & NEAL
By KARL A. LIMBACH
*Attorneys for Applicants*

## AFFIDAVIT OF LEILA M. JOHNSTON

State of California

City and County of San Francisco—ss.

Leila M. Johnston, being duly sworn, deposes and says as follows:

1. She is one of the applicants in this application and one of the owners of Architectural Models, Inc. of San Francisco, California.

2. On or about August 5, 1963, affiant learned that two ex-employees of Architectural Models, Inc. were engaged in a competing business under the name of Scale Models Unlimited in East Palo Alto, California, and affiant suspected that these ex-employees were using apparatus similar to that disclosed in this application because Scale Models Unlimited had bid on a job of making a topographical model on which Architectural Models, Inc. had also bid.

3. On August 6, 1963, affiant accompanied by her patent attorneys and a professional photographer visited the offices of said Scale Models Unlimited to determine whether or not these ex-employees were using apparatus similar to that disclosed in this application. When affiant and her attorney and the photographer reached the offices of Scale Models Unlimited, the ex-employees refused to permit said attorney or said photographer to view the equipment with which they made topographical models, but said ex-employees permitted affiant to examine such equipment.

4. Shortly after this examination, affiant prepared a sketch of the equipment which she was permitted to examine, and this sketch is attached hereto. The equipment consisted of a table on which a topographical map may be mounted with an overhead support mounted on the wall of the building adjacent to the table and supporting a block of styrofoam in inverted position over the table with a freely movable tool mounted on the table as illustrated in the sketch for cutting the styrofoam with an upwardly facing

router bit while a coaxial stylus followed topographical lines on the map on the table. The height of the router bit above the table was accurately adjustable by accurate adjustment of the position of the router up and down inside of a cylinder supported on a tripod.

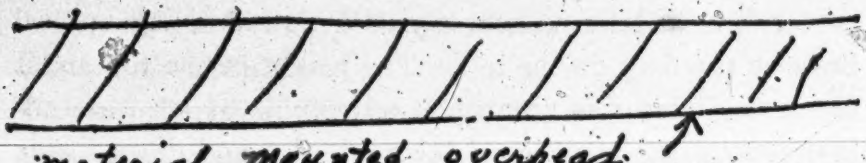
5. Affiant is informed and believes that said ex-employees continue to use the apparatus described above though affiant has informed said ex-employees that such use constitutes appropriation of the trade secrets of Architectural Models, Inc. and will infringe patent claims which affiant hopes to obtain through this application. Said ex-employees refuse to discontinue use of such apparatus prior to the issuance of a patent on this application.

6. Immediately following August 6, 1963, the day on which affiant inspected the above identified apparatus, affiant requested her patent attorneys to do everything possible to speed up the issuance of a patent on this application. Affiant is advised by her attorneys that responsive to such advice, said attorneys had their Washington associate interview the Examiner handling this application to accelerate prosecution of the application. Such interview was conducted as soon as it could be arranged following August 6, 1963, and subsequent interviews were conducted as soon as they could be arranged after new references cited by the Examiner in the interview could be discussed with affiant's attorney. Following such interviews, affiant's attorney filed an amendment on September 12, 1963 and the accompanying petition to make special is being filed as soon as possible following the final rejection of October 10, 1963.

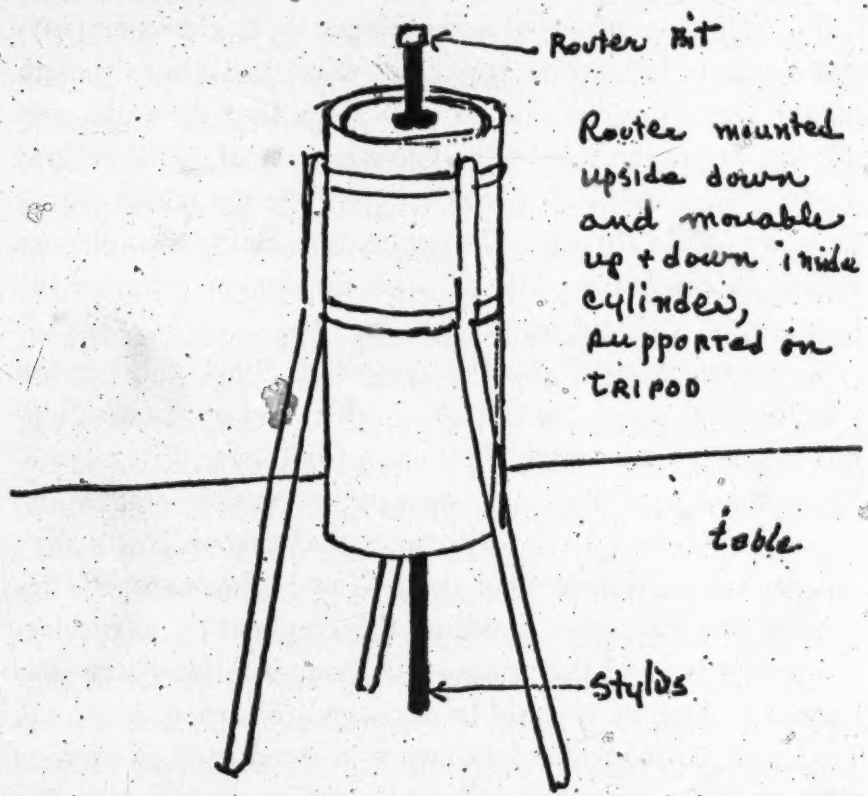
/s/ LEILA M. JOHNSTON
Leila M. Johnston

Subscribed and sworn to before me, a notary public, this 7th day of November, 1963.

/s/ FREDERICK WILLIAM ROTH, JR.
Notary Public



material, mounted overhead




Observed in shop of competitors, in August 1969

Leila Johnston

## AFFIDAVIT OF KARL A. LIMBACH

State of California
City and County of San Francisco—ss.

Karl A. Limbach, being duly sworn, deposes and says as follows:

1. He is one of the attorneys for applicants in the above identified application.

2. He has examined the sketch attached to the affidavit of Leila M. Johnston and has made a rigid comparison of the device illustrated in that sketch and described by Miss Johnston with the claims of this application.

3. In his opinion, some of the claims in this application are unquestionably infringed by said device.

4. Prior to the filing of this application he caused to be made a careful and thorough search of the prior art, and he believes that all of the claims in this application are patentable over such search art and over the references found in the Examiner's independent search of the art.

/s/ KARL A. LIMBACH
Karl A. Limbach

Subscribed and sworn to before me, a notary public, this 24th day of October, 1963.

/s/ BARBARA ANN ELY
Notary Public

U.S. DEPARTMENT OF COMMERCE
PATENT OFFICE
Washington

November 27, 1963

On Petition To Make Special

The applicants petition that the above identified application be made special on the ground of infringement.

Inasmuch as the above identified application was acted upon by the primary examiner on October 10, 1963, and now awaits response by the applicants, the petition to make it special is hereby dismissed.

EDWIN L. REYNOLDS
First Assistant Commissioner

December 4, 1963

Commissioner of Patents
Washington 25, D. C.

Attention: Edwin L. Reynolds
First Assistant Commissioner

Re: Ex parte Virginia Green et al
Serial No. 127,211
Filed July 27, 1961
Apparatus for Making Topographical Models
On Petition To Make Special
(Our file 914)

Dear Mr. Reynolds:

This letter is sent in response to your letter of November 27, 1963, dismissing applicants' Petition To Make Special. Applicants hereby renew the Petition To Make Special and request that it be considered on its merits since applicants had responded to the October 10, 1963 action of the primary Examiner.

The primary Examiner's action of October 10, 1963 was a final rejection, and at the same time the Petition To Make Special was presented, applicants filing Notice of Appeal from the final rejection together with Appellants Brief on Appeal. It is believed that such appeal constitutes a complete response to the final rejection. No further response to the final rejection short of appeal was made since the merits of the application had been exhaustively considered with the Examiner in numerous interviews and both applicants and the Examiner felt that the application was in condition for final rejection and appeal.

Very truly yours,

/s/ KARL A. LINBACH
FOR NAYLOR & NEAL

*U.S. Department of Commerce*
*Patent Office*

UNITED STATES GOVERNMENT

## MEMORANDUM

TO: Examiner, Division 340

DATE: Dec. 6, 1963

FROM: First Assistant Commissioner
SUBJECT: Petition to Make Special
Applicant: Virginia Green et al.
Serial No.: 127,211

The examiner will please send the file of the above identified application to the office of the First Assistant Commissioner, Room 3898, indicating hereon when the application will be reached for action.

If an amendment or other paper is attached, it should be entered before the file is forwarded.

This application was forwarded to the Board of Appeals on December 6, 1963. [longhand endorsement]
This application will be acted upon .....

/s/ FRANCES I. SMITH
Signature of person reporting

Dec. 16, 1963
Date of Report

Mailed Jan.—8 1964
U.S. Patent Office Board of Appeals
Appeal No. 269-73 RHI

*In the United States Patent Office*

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## BEFORE THE BOARD OF APPEALS

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*Ex parte* Virginia Green
and Leila M. Johnston

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Application for Patent filed July 27, 1961, Serial No. 127,211. Apparatus for Making Topographical Models.

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Naylor and Neal and Cushman, Darby & Cushman for appellants.

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Appellants have renewed their petition to make this case special for the reason—infringement—set forth in the prior petition and supporting affidavits.

To the extent that the appeal will be expedited before the Board of Appeals, the petition has been granted.

The application is herewith forwarded to the Examiner for reply to appellants' brief.

By Order of the Board of Appeals.

NICHOLAS HAHN
Administrative Officer

## Decision of the District Court for the Northern District of California

(caption omitted)

## MEMORANDUM OF DECISION AND ORDER

This suit invoices the validity and alleged infringement of U. S. Patent No. 3,137,209, a device for making topographical models. It is a combination patent involving some 14 separate claims, four of which are being sued upon by the plaintiff, those claims being Nos. 4, 5, 11 and 14. The plaintiff also charges the defendants, in a separate cause of action, with appropriation of a trade secret.

The defendants have denied infringement and challenged the validity of the patent on the grounds of prior art and obviousness, faulty inventorship, prior public use and failure of the plaintiff to comply with formal statutory requirements. Misuse is also asserted as a defense to the patent infringement claim. Defendants have filed two counterclaims. The first is for declaratory judgment that the patent sued upon is invalid, to include all 14 claims, and the second charges the plaintiff with unfair competition.

### Regarding the Alleged Infringement, With Particular Reference to Claims 4, 5, 11 and 14:

These four claims, of the 14 encompassed by the patent, are the only ones to which the infringement suit is directed and the only ones about which plaintiff has presented evidence. It follows then that the remaining specifications are not in issue as to the infringement suit.

Mindful of the advice of the United States Supreme Court that *usually* the better practice is to inquire fully into the validity of a patent, *Sinclair v. Interchemical Corp.*, 325 U. S. 327, 330 (1944), this court concludes that the circumstances and factual background of the case dictate a disposition on the ground of non-infringement without deciding the question of validity of the patent.

The above statement in *Sinclair* in the words of Judge Learned Hand "was certainly not put in the form of a peremptory direction, but rather of cautionary admonition, to be followed when that is the more convenient course . . . There are good reasons for allowing some latitude of choice. A decision resting upon non-infringement is generally much more secure than one on invalidity. . . . That issue is a fugitive, impalpable, wayward, and vague a phantom as exists in the whole paraphernalia of legal concepts . . . A declaration of invalidity may therefore prove an *ignis fatuus*, as fictitious a security to those who wish to infringe the claim, as a declaration of validity may be a fictitious menace." *Harries v. Air King Products Co.*, 183 F.2d 158, 162, 163 (2nd Cir. 1950). See also, *Electrical Fittings Corp. v. Thomas & Betts Co.*, 307 U.S. 241 (1938); *Altavater v. Freeman*, 310 U.S. 359 (1942); *Cover v. Schwartz*, 133 F.2d 541 (2nd Cir. 1943); *Lockwood v. Langendorf*, 324 F.2d 82, 91 (9th Cir. 1963).

Claims 4 and 5 define in substance the frame used to support the material, a table adapted to support a reverse print of a topographical map, and a free moving tool carrier with an electric motor mounted thereon. These claims were at first rejected in the patent office because of the Shaver patent but were amended to incorporate the use of a reverse print as a distinguishing feature. Based upon this amendment, the claims were approved.

Defendants do not employ such a reverse print. Instead, they use a light table and a rightside print. However, it is plaintiff's contention that the accused machine functions on the print in exactly the same way plaintiff's machine functions on a reverse print, that is, either the same result is achieved by a different means, or both processes are the same or substantially the equivalent of each other. Both procedures, in effect, are adapted to support a reverse print.

This was not the argument made to the patent office. There, plaintiff urged that the use of a reverse print distinguished its device from the Shaver reference. "If a man skilled in the art did not conceive of applicants' method of using a reverse print, he would have to conceive of some other unobvious modification of Shaver, such as making the table 14 and map 10 transparent, in order to permit the Woody structure to be used in the Shaver apparatus." Defs.' Exh. 2, pp. 61, 62, 63 of the file wrapper.

Plaintiff therefore takes inconsistent positions. To the patent office, it was claimed that the use of a reverse print was critical; to the court, it is suggested that the use of a reverse print is either not essential or that it should be given a broad construction. "... a party cannot take inconsistent positions concerning the same subject matter in different transactions. Hence, a patentee cannot argue a narrow construction of his claims when speaking to the Patent Office and then argue a broad construction to ensnare an infringer... A claim, having been narrowed in order to obtain allowance thereof by distinguishing it from a prior patent cited by the Patent Office, cannot be broadened in an infringement suit to make the claim read on a structure identical with that of such prior patent." *Deller's Walker on Patent*, Volume 4, §234.

The Ninth Circuit in *Lockwood v. Langendorf*, 324 F.2d 82, 88 (1963), supports this position: "Also where, as in this case, an applicant has been required to narrow his claim in order to distinguish it, any contention of the applicant that such claim is not essential or that it is infringed by an equivalent in the accused article, should be considered with care and subjected to a narrow rather than a liberal construction."

Claim 11 is directed solely at the definition of vertical adjustment in the router assembly. It is limited to an inter-

nally threaded sleeve and an electric motor threadedly received in said sleeve. Defendants do not however use this exact method. Rather, they employ a rack and pinion to accomplish a vertical sliding motion. In order then to establish infringement, this claim must be given the benefit of the doctrine of equivalents. In a combination patent such as this, every element of the claim or its functional equivalent must be found in the accused device. *O-Tips v. Johnson & Johnson,* 207 F.2d 509 (3rd Cir. 1953).

In this regard it should be noted that plaintiff has never incorporated the principle of vertical adjustment in the router assembly in a working model. The existence of plaintiff's device does not extend beyond a paper sketch. It is no more than a paper patent, and its claims should be given the most meager range of equivalents. *Irvin & Co., Inc. v. Westinghouse Air Brake Co., et al.,* 121 F.2d 429 (2nd Circuit 1941). A paper patent must be strictly construed. *Modern Prod. Supply Co. v. Drachenberg,* 152 F.2d 203 (6th Cir. 1945) cert. den. 327 U.S. 806 (1946). Further, in an infringement suit, the issue of paper patent may appear either as a challenge to validity or as a legal reason for restricting the scope of the patent. *General Motors Corp. v. Kesling,* 164 F.2d 824 (8th Cir. 1947), cert. den. 333 U. S. 855 (1948).

It is therefore possible for the court to rule that claim 11 is not infringed by defendants' machine by narrowly construing the claim and its equivalents. "The mere fact that the accused article performs the same function and achieves the same result as the patented article does not necessarily establish infringement unless it can be found that this is accomplished in substantially the same way and where, as in this case, the art is fairly crowded and the main elements of the patent are found or indicted in prior art,

this issue should be determined narrowly rather than liberally. If in fact, not merely colorably, the accused article departs from the teaching of the patent in the means by which it achieves the result there is not infringement." *Lockwood v. Langendorf*, supra.

Claim 14 also defines verticle adjustment but is broader in scope than claim 11. ". . . adjustable connecting means interconnecting said router and said body for adjustably positioning said router at a plurality of front positions along said axis . . ." If this claim were literally construed, there appears little doubt that it would read upon the accused machine, since any method employed for vertical adjustment would be preempted by the above definition. However, *35 U.S.C.A.* § 112 states: "An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof." As such, we must look back to claim 11 to determine what means are employed by plaintiff to achieve vertical adjustment, the specific method not having been defined by claim 14.

Any reference back to claim 11 would again involve a discussion of the doctrine of equivalent and the law appurtenant to paper patents. In both bases the result should be the same, i.e., the accused device does not infringe upon plaintiff's patent.

THE ALLEGED TRADE SECRET

Plaintiff's second cause of action which relates to unfair competition alleges the appropriation of a trade secret, i.e., the concept of putting the sole vertical adjustment in the router assembly. Jurisdiction of the court is based upon the

provisions of 28 U.S.C.A. §1338(b). It is plaintiff's position that the defendants learned of this trade secret during their employment by plaintiff and that they appropriated and incorporated this concept of vertical adjustment in the router assembly into a similar apparatus with the intention of competing with plaintiff.

The evidence adduced at trial fails to support this contention. The concept of putting the vertical adjustment into the router by using a threaded sleeve and motor was admittedly conceived by Virginia Green during a conference on April 25, 1961, with her attorney who drew a sketch embodying this principal.

No evidence was presented which would establish that either defendant had access to or in fact saw the drawing. Rather, the plaintiffs rely in total upon the testimony of one Wold that Neklason had discussed this concept with him while in the employ of plaintiff, but at a time some time before the aforementioned conference. The testimony at best was vague. Neklason on the other hand stated he could not recall any such conversation.

It is interesting to note that defendant Nusbaum was admittedly not involved in this alleged appropriation, but it was he, not defendant Neklason, who suggested the idea of putting the sole accurate vertical adjustment into the defendants' router. (6 Tr. 711, 712)

### Counterclaim For Unfair Competition

Defendant's cause of action arises out of statements made by Leila Johnston to certain persons and the San Francisco Redevelopment Agency that defendants had appropriated plaintiff's trade secrets and infringed its patent. As a result of these statements, defendants alleged they withdrew their bid on a Redevelopment project even though it was the low

bid. The profit that would have been made on this project is the sum total of the prayer for damages. Moreover, defendants have not attempted to establish that they have been in any way injured in their trade or profession by the statements made to others than the San Francisco Redevelopment Agency.

Since a qualified priyilege exists to charge one with patent infringement even though that claim may later prove erroneous, defendants must prove lack of good faith by the speaker in the truth of the utterance and malice. In neither of these respects have the defendants carried their burden of proof.

### Counterclaim for Declaratory Judgment

As previously noted, the plaintiff has charged the defendant with infringement of only four of the fourteen claims that comprise the patent. Defendants however pursuant to the provisions of 28 U.S.C.A. § 2201 request a determination of validity as to all claims. Plaintiffs have questioned the power of the court to pass upon the merits of more than the four cited claims.

The finding of non-infringement forecloses any need to discuss the merits of the defenses related to alleged invalidity as to any and all claims. "To hold a patent valid if it is not infringed is to decide a hypothetical case." *Altvater v. Freeman*, 319 U.S. 359, 363 (1942).

Moreover, the court need not decide the issue of whether or not jurisdiction exists under 28 U.S.C.A. § 2201 to pass upon the validity of the ten non-asserted claims. In this regard, two clearly established principles must be kept in mind. First, a patent is presumed to be valid. 35 U.S.C.A. § 282; secondly, even where jurisdiction to render a declaratory judgment exists, a court may, in the exercise of its

sound discretion, refuse to render the decision sought if it is unnecessary to a practical solution of the controversy. *Moore's Federal Practice*, § 57.20.

Accordingly, the court finds as follows:

## Findings of Fact

### *Patent Infringement*

1. Architectural Models, Inc. is a California corporation having its principal place of business in San Francisco, California.

2. Nils C. Neklason is an individual residing in East Palo Alto, California.

3. Donald Nusbaum is an individual residing in Palo Alto, California.

4. Nils C. Neklason and Donald Nusbaum are doing business as partners under the name and style Scale Models Unlimited in East Palo Alto, California.

5. This is a suit for patent infringement and for appropriation by defendants of an alleged trade secret of plaintiff. Defendants deny infringement and assert invalidity on various grounds including lack of patentable invention (35 U.S.C. 103); public use and/or sale of the invention more than one year before the patent application was filed (35 U.S.C. 102 (b)); and failure of the claims to point out the invention (35 U.S.C. 112). Defendants also assert misuse of plaintiff's patent as a defense and they counterclaim for unfair competition by plaintiff arising out of facts generally similar to the facts upon which misuse is predicated.

6. Plaintiff sues only on Claims 4, 5, 11 and 14 of its patent. Defendants assert and plaintiff denies that the other claims of the patent (Claims 1, 2, 3, 6-10, 12 and 13) are at issue with respect to their validity.

7. The only claims asserted by plaintiff are claims 4, 5, 11 and 14.

8. Claims 4 and 5 are to the apparatus as a whole, including the framework which supports a contour map on a table below and a workpiece above, as well as the router assembly. Each of these claims states that the map-supporting table is "adapted to support a reverse print of a topographical map."

9. Literally, any table, including the lower table of defendants' apparatus, is adapted to support a reverse print of a topographical map.

10. However, this feature—"adapted to support a reverse print of a topographical map"—was introduced by amendment to overcome a ground of rejection and it was emphasized during prosecution of the patent application in the Patent Office as a feature which distinguishes the invention from the cited prior art. To give Claims 4 and 5 a broader interpretation and, in effect, to treat the language "adapted to support a reverse print of a topographical map" as meaningless surplusage would be to give these claims a broader scope than represented to and understood by the Patent Office and would recapture subject matter that was relinquished in the Patent Office in order to obtain allowance of claims. More particularly, to give Claims 4 and 5 a scope which would cover defendants' appartus, in which there is a translucent table equipped with lights beneath (such being referred to as a "light table"), and which makes it possible to use a positive or right reading map with its attendant advantages over the use of a reverse print, would be to give Claims 4 and 5 a scope broader than was intended by the Patent Office and broader than was represented by the plaintiff to the Patent Office. Such narrow construction of Claims 4 and 5 (as excluding defend-

ants' light table and use of a right reading print) is reinforced by the following argument presented by plaintiff to the Patent Office (see the file of plaintiff's patent, Defs'. Exh. 2, page 63):

> "Thus, the modification of Shaver to incorporate opposed tool and stylus from Woody would require the conception of a method of use of the apparatus which would not be obvious to a man skilled in the Art. If a man skilled in the art did not conceive of applicants' method of using a reverse print, he would have to conceive of some other unobvious modification of Shaver, such as making the table 14 and map 10 transparent, in order to permit the Woody structure to be used in the Shaver apparatus."

The references "Shaver" and "Woody" in the above excerpt are to two patents cited by the Patent Examiner and which plaintiff sought to overcome by arguments including the argument quoted above.

11. Claim 11 is directed to the adjustable router assembly itself, apart from the rest of the machine. This claim is limited in its wording to (a) an internally threaded sleeve, such as the sleeve 24 in Figure 2 of the patent and (b) an externally threaded motor which is threaded into the sleeve as shown at 28 in Figure 2, such being the means for effecting vertical adjustment by screwing the motor down into or up out of the sleeve.

12. Defendants' appartus does not employ this construction. Instead, defendants' router assembly employs a rack and pinion and the motor is moved up and down by sliding it within an outer sleeve. It is not moved by screwing it down into or up out of the sleeve.

13. In view of the fact that the apparatus of Figure 2 was never built, tested or used by plaintiff, the rack and pinion construction of defendants' machine is not the equiv-

alent of the screw-in type of construction of Figure 2 and of Claim 11 of the patent.

14. Claim 14 is broader in terminology than Claim 11 because, instead of reciting a threaded sleeve and a threaded motor, it recites "adjustable connecting means interconnecting said motor and said body for adjustably positioning said router," etc. However, viewed in the light of 35 U.S.C. 112, third paragraph, which reads as follows:

> "An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material or acts described in the specification and equivalents thereof."

Claim 14 must be limited to the Figure 2 structure and equivalents. Having found that the rack and pinion construction of defendants is not the equivalent of the threaded, screw-in type of structure of Figure 2, it follows that Claim 14 is no broader in scope than Claim 11 and that defendants do not employ the structure of Claim 14.

*The Alleged Trade Secret:*

15. Defendant Neklason was employed by Plaintiff and and its partnership predecessor from May, 1958 to September 28, 1962.

16. Defendant Nusbaum was employed by Plaintiff from November 1, 1961 to September 28, 1962.

17. Since about October 1, 1962, Defendants Neklason and Nusbaum have been doing business under the partnership name Scale Models Unlimited at 2534 Pulgas Avenue, East Palo Alto, California.

18. Plaintiff asserts that it possessed a trade secret during the employment of defendants by plaintiff, such

trade secret arising out of and being embodied in plaintiff's Exh. O, which is a sketch made on or about April 25, 1961 and which shows two embodiments of the idea of an adjustable router assembly including the screw-in type of router assembly shown in Figure 2 of the patent.

19. Plaintiff contends that the defendant Neklason (the defendant Nusbaum being exculpated altogether) heard or learned of this alleged trade secret during the period of his employment by plaintiff and appropriated it to the use of defendants after the defendants left the employ of plaintiff, set up their own competing business and decided to build a model cutting machine.

20. Defendants' router assembly employs the broad concept of a vertically adjustable router wherein the vertical adjustment in proceeding from one contour level to another is carried out by manipulating the router assembly rather than by manipulating the main frame of the machine. However, defendants' router assembly, which is shown in Figure 1 of its own patent No. 3,224,339, Defs'. Exh. 8, and which was exhibited in court at the trial as Defs'. Exh. 25, does not have a screw-in type of adjustment as in Figure 2 of the patent. Instead, it employs a rack and pinion adjustment whereby the motor is caused to slide up and down within a sleeve without rotating.

21. Plaintiff did not use and never has used its alleged trade secret in any form whatsoever. In selecting a design for its second machine in 1962-63, plaintiff considered but rejected the use of its alleged trade secret. Instead, plaintiff substantially duplicated the design of its first machine employing jack screws, sprockets, a chain and a hand wheel.

22. Plaintiff offered no evidence that it came into possession of any trade secret pertinent to this cause until on or about April 25, 1961. The only credible evidence on this point is that plaintiff first acquired knowledge and posses-

sion of the alleged trade secret on or about April 25, 1961, at which time a sketch, Pl's. Exh. O, was prepared.

23. There is no evidence that either of the defendants saw or had access to Pl's. Exh. O or to plaintiff's patent application before the patent issued. These were the only concrete embodiments of the alleged trade secret. As stated, plaintiff makes no claim of appropriation of a trade secret by the defendant Nusbaum. The defendant Neklason testified without contradiction that he did not see Exhibit O or plaintiff's patent application until after plaintiff's patent issued. The only evidence that Neklason knew of the alleged trade secret is the testimony by deposition of plaintiff's witness Wold, which was read into the record at 5 Tr. 541-582, that in a conversation between (Wold) and Neklason, the broad idea of putting the vertical adjustment into the router was discussed. Wold's recollection was that the subject was discussed only in a very general way. It was described repeatedly by Wold as a "passing thing" and without any details being discussed.

24. Wold clearly recalled that this discussion with Neklason occurred within a week or two after the first machine was delivered to plaintiff. Inasmuch as this first machine was delivered in June of 1960, this places the asserted conversation (if in fact it took place) in June or July of 1960.

25. Neklason testified that he did not learn of the alleged trade secret during his employment by plaintiff and that he had no recollection of any such conversation with Wold. If there was such a conversation and if it included a discussion of or reference to a router assembly having a vertical adjustment feature, this establishes that such idea was known to Neklason prior to the time any rights were acquired in the idea by plaintiff. Plaintiff could not have acquired knowledge, hence possession, of the alleged trade secret until about April 25, 1961.

26. As of the date of the alleged Wold-Neklason conversation in June or July, 1960, neither Wold's testimony nor any other evidence attributes to plaintiff or to Virginia Green or to Leila Johnston the idea of putting the vertical adjustment into the router assembly. Insofar as the evidence shows, such idea may have been originated by Wold or by Neklason or by some other person other than plaintiff, Virginia Green or Leila Johnston.

27. There is no evidence that any of the employees of plaintiff, including Wold and Neklason, was under any obligation to communicate ideas to plaintiff or to assign ownership of such ideas and patent rights therein to plaintiff.

28. When defendants left plaintiff's employ and set up their own competing business and decided to build a model making machine, it was Nusbaum who first suggested that the vertical adjustment to be placed in the router assembly, and it was Neklason who thereafter, in response to Nusbaum's suggestion, suggested the rack and pinion mechanism which is shown in Fig. 4 of defendants' patent 3,224,339, Defs'. Exh. 8 and which was embodied in defendants' actual router assembly, Defs'. Exh. 25.

29. There is no evidence that plaintiff advised or in any manner brought home to its employees, including defendants, that any of the following items were secret and/or were to be treated in confidence:

(a) Its model making machine or components thereof.

(b) The broad idea of putting the vertical adjustment into the router assembly.

(c) The specific ideas set forth in Pl's. Exh. O, including the screw-in type of arrangement shown in Exhibit O and reproduced in Figure 2 of the patent.

At the time defendants left the employ of plaintiff they were warned that plaintiff's machine was plaintiff's prop-

erty and was the subject of a pending patent application. However, any knowledge that defendants may have acquired of the alleged trade secret was acquired before this warning. Such warning was, at most, *ex post facto* in nature. Moreover, the asserted warning did not spell out any trade secret.

30. Assuming the existence of a trade secret with respect to Pl's. Exh. O, that defendants learned of this secret and that they appropriated it to their use, it was not a trade secret used in plaintiff's business and its use by defendants did not cause damage to plaintiff.

*Counterclaim for Unfair Competition:*

31. The defendants have not proven that plaintiff or anyone acting on behalf of plaintiff has made any statement to a customer or prospective customer of the defendants which damaged the defendants in any way.

32. The defendants have not proven that plaintiff or anyone acting on behalf of plaintiff has made any statement to any customer or prospective customer of the defendants which was either false or malicious or intended to drive the defendants out of the model making business.

*Counterclaim for Declaratory Relief:*

33. The Green et al Patent contains three groups of claims, namely (a) claims directed toward the type of machine shown in Figs. 1 and 2 of the patent, (b) claims directed toward the type of machine shown in Figs. 3-5 of the patent, and claims which are generic to both types of machines. Plaintiff has charged the defendants with infringement of some of the claims in the first group mentioned above, but has not charged the defendants with infringement of any of the remaining claims in the patent.

34. In connection with the defendants' use of the accused machine illustrated in Exhibit Q, plaintiff seeks relief for patent infringement solely on this basis of Claims 4, 5, 11 and 14 of the patent, and were those claims either invalid or not infringed, the defendants would prevail in the patent infringement action.

35. No useful purpose would be served by rendering a declaratory judgment of invalidity or non-infringement of claims 1-3, 6-10, 12 or 13 of the Green et al Patent.

## Conclusions of Law

### I

This court has jurisdiction of the subject matter of the patent infringement claim, the plaintiff's claim for unfair competition for theft of trade secrets, the defendants' counterclaim for unfair competition, and the defendants' counterclaim for declaratory relief, and this court has jurisdiction over the parties. Venue is properly laid.

### II

Claims 4, 5, 11 and 14 of the patent are not infringed by defendants because, if they are correctly interpreted under 35 U.S.C. 112, these claims are limited to a particular form of device (a vertically adjustable router assembly as shown in Figure 2 of the patent). Defendants do not employ that form of device or its equivalent. Also, Claims 4 and 5 require the use of a reverse print which is not required or used in defendants' device.

### III

Plaintiff's cause of action for appropriation of trade secret fails because of lack of proof of:

(a) The existence of a protectable trade secret.

(b) Ownership of a trade secret by plaintiff.

(c) Knowledge by defendants of any trade secret, such knowledge being acquired by defendants under circumstances that would give rise to an obligation not to use the same.

(d) Use by defendants of any trade secret.

(e) Damage to plaintiff arising out of use of any trade secret by defendants.

IV

Plaintiff has not competed unfairly with the defendants. Plaintiff is entitled to a judgment dismissing defendants' counterclaim for unfair competition.

V

With respect to the application for attorney fees on the part of the defendants, the court denies the application under 35 U.S.C. § 285 and finds that it is fair, equitable and just that both parties pay their own attorneys' fees and costs.

An appropriate judgment may be prepared by defendants consistent with the foregoing.

Dated: February 24, 1967.

/s/ GEORGE B. HARRIS

United States District Judge

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*Attorneys for Defendants*

*In The United States District Court*
*Northern District of California*

Civil Action No. 42,812

ARCHITECTURAL MODELS, INC., a California corporation,

*Petitioner,*

vs.

NILS C. NEKLASON and DONALD NUSBAUM doing business as SCALE MODELS UNLIMITED,

*Defendants.*

FILED—March 10, 1967
Clerk, U. S. Dist. Court San Francisco

## JUDGMENT

This cause having been tried, briefed and argued and this Court having, on February 24, 1967, rendered a Memorandum of Decision and having on such date entered its Findings of Fact and Conclusions of Law, it is ordered and adjudged as follows:

I. Defendants have not infringed Claims 4, 5, 11 and 14, or any of them, of Plaintiff's U.S. Patent No. 3,137,209,

such claims being the only claims asserted by plaintiff against defendants.

II. Defendants, and neither of them, is liable to plaintiff for appropriation of a trade secret.

III. Plaintiff's First Cause of Action for patent infringement is dismissed.

IV. Plaintiff's Second Cause of Action for appropriation of trade secret is dismissed.

V. Plaintiff has not unfairly competed with defendants.

VI. Defendants' Second Counterclaim for unfair competition is dismissed.

VII. No judgment is rendered as to the validity of any of the claims of patent No. 3,137,209 nor on any of the other defenses asserted in defendants' Answer or reasserted in defendants' First Counterclaim except the judgment of non-infringement of Claims 4, 5, 11 and 14 set forth in paragraph I of this judgment.

VIII. Each party shall pay its own costs and attorney's fees.

Dated this 10 day of March, 1967.

/s/ GEORGE B. HARRIS
U. S. District Judge

Approved as to form:
/s/ KARL A. LIMBACH
Attorney for Plaintiff

*United States Court of Appeals for the Ninth Circuit*

No. 21,826

ARCHITECTURAL MODELS, INC., a California corporation,

*Appellant,*

vs.

NILS C. NEKLASON and DONALD NUSBAUM doing business as SCALE MODELS UNLIMITED,

*Appellees.*

[July 11, 1968]

Appeal from the United States District Court for the Northern District of California

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Before: ELY and CARTER, Circuit Judges, and REAL, District Judge*

PER CURIAM:

This is an action for infringement of Patent No. 3,137,209, issued to Virginia Green and Leila Johnston, thereafter assigned to plaintiff (Appellant) Architectural Models, Inc., resulting in a judgment for defendants (Appellees).

The complaint also contained a cause of action for unfair competition in the use of a trade secret of plaintiff by defendants. This issue was decided adversely to the plaintiff at the trial, and no appeal has been taken from this part of the judgment.

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*Hon. Manuel Real, United States District Judge, Central District of California, sitting by designation.

In view of the care with which the trial court approached the problem and tried the case, the oral testimony which was taken as to the entire controversy, the credibility of the witnesses and the weight to be given to their testimony, which were entirely for decision by the trial court; and in further view of the fact that the patent was a combination patent in a crowded field, we cannot say that the trial judge was clearly wrong.

The judgment is affirmed.

*United States Court of Appeals for the Ninth Circuit*

No. 21826

ARCHITECTURAL MODELS, INC., a California corporation
*Appellant,*

vs.

NILS C. NEKLASON and DONALD NUSBAUM dba SCALE MODELS UNLIMITED,
*Appellees.*

APPEAL from the United States District Court for the Northern District of California.

THIS CAUSE came on to be heard on the Transcript of the Record from the United States District Court for the Northern District of California . . . and was duly submitted.

ON CONSIDERATION WHEREOF, It is now here ordered and adjudged by this Court, that the judgment of the said District Court in this cause be, and hereby is affirmed.

Filed and entered July 11, 1968

## CLAIM 4 OF PETITIONER'S PATENT EX M

4. Apparatus for making three dimensional topographical models which comprises:

a support frame having; a generally horizontal table thereon adapted to support a reverse print of a topographical map representing the model which is to be made; work holding means rigidly mounted on said frame above said table for supporting above said table a mass of material from which said model is to be made; a tool carrier resting on said table and freely

movable over the surace of said table; an electric motor mounted on said tool carrier and having; a tool receiving chuck mounted thereon for rotation about a generally vertical axis responsive to operation of said motor, a rotary tool received in said chuck and projecting upwardly from said motor and movable over said table with said carrier, said tool generating a cylindrical cutting shape responsive to operation of said motor, a generally circular stylus mounted on said carrier adjacent to said table with said stylus being coaxial with said axis of rotation of said chuck and having a diameter substantially equal to the diameter of said cutting shape and with both said chuck and said stylus positioned between said table and said work holding means; and, adjusting means forming a part of said carrier for changing the distance between said cutting tool and said table.

## CLAIM 14 OF PETITIONER'S PATENT EX M

14. A tool for making three dimensional topographical models which comprises:

a frame having; a base portion adapted to rest on and be moved freely over a flat surface; a body portion mounted on the base portion; a router mounted on said body portion and having; a cutting tool thereon facing away from said base portion with said router positioned for rotating said tool about an axis generally perpendicular to the flat surface on which said base portion rests; adjustable connecting means interconnecting said router and said body for adjustably positioning said router as a plurality of different positions along said axis; and, a generally cylindrical stylus mounted on said base portion adjacent to the surface on which said base portion rests with said stylus having a circular end coaxial with said axis and equal in diameter to the diameter of said tool.

# BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

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Office-Supreme Court, U.S.
FILED
OCT 26 1968
JOHN F. DAVIS, CLERK

# In the Supreme Court of the United States

OCTOBER TERM, 1968

**No. 600**

ARCHITECTURAL MODELS, INC., a California corporation,

*Petitioner,*

vs.

NILS C. NEKLASON and DONALD NUSBAUM doing business as SCALE MODELS UNLIMITED,

*Respondents.*

## Brief in Opposition to Petition for Writ of Certiorari

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# In the Supreme Court of the United States

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ARCHITECTURAL MODELS, INC., a California corporation,

*Petitioner,*

vs.

NILS C. NEKLASON and DONALD NUSBAUM doing business as SCALE MODELS UNLIMITED,

*Respondents.*

## Brief in Opposition to Petition for Writ of Certiorari

### INTRODUCTION

Respondents respectfully submit that the Petition should be denied for the following reasons:

1. The Petition omits facts which are material to consideration of the questions presented. Therefore, the Petition does not comply with Rule 23 (1)(e) of the Rules of this Court.

2. No conflict of authorities is asserted except for an alleged (but nonexistent) conflict between the Patent Office on the one hand and the lower courts on the other hand as to the interpretation of a statute (35 USC 112, last para-

graph). No authority and no reason are given why the clear and unambiguous language of this statute means anything else than it says.

3. No important question of law is presented; no reason is given for departure from the "two-court rule" of *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 336 US 271, 274, 275 (1949); and no reason is given for departure from the rule of file wrapper estoppel as stated in *Exhibit Supply Co. v. Ace Patents Corporation*, 315 US 126, 135, 136 (1942).

These reasons are elaborated below. An appropriate introduction is the following paragraph from the opinion of the Court of Appeals in this case which appears in the Petition at A 30[1] and which is reported at 158 USPQ 583.

> "In view of the care with which the trial court approached the problem and tried the case, the oral testimony which was taken as to the entire controversy, the credibility of the witnesses and the weight to be given to their testimony, which were entirely for decision by the trial court; and in further view of the fact that the patent was a combination patent in a crowded field, we cannot say that the trial judge was clearly wrong."

## DISCUSSION

### I. The Petition Omits Facts Material to Consideration of the Questions Presented

As to Claims 4 and 5, the question presented is whether the language "adapted to support a reverse print" limits these claims to apparatus which requires and uses a reverse print. Petitioner's apparatus requires and uses a reverse

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1. Reference to Appendix to the Petition is given by the letter A followed by the page. Reference to the Reporter's Transcript, Vols. 2-6 of the record here, is given by the letter Tr. followed by the page.

print; Respondents' apparatus does not require and does not use a reverse print.

The Petition omits mention of the fact that this language (more particularly, the reference to "reverse print") was inserted by amendment in response to and to overcome a rejection by the Patent Office. See Finding of Fact No. 10 at A 18, 264 F. Supp. at 318, 319. The importance of a reverse print was emphasized in the Patent Office; see Appendix hereto. This relevant fact—omitted from the Petition—brings into the play the doctrine of file wrapper estoppel and the authorities relied upon in the Court below. (See this Brief, pages 6 and 7 *infra*).

The Petition also omits mention of the fact that Respondents' apparatus, because it employs a light table and therefore dispenses with the need for a reverse print, provides advantages. These advantages are referred to in the opinion of the District Court in Finding No. 10 at A 18, 264 F. Supp. at 319. These advantages were the subject of testimony at the trial. Tr. 683-687.

As to Claim 11 the question presented is whether the rack and pinion adjustment of Respondents' machine is the equivalent of the screw-in adjustment of Applicant's machine and of Claim 11.

The Petition omits mention of the fact that Respondents' device has advantages over Petitioner's device; and that there was testimony and a demonstration at the trial of the differences between the two machines, of the advantages of Respondent's machine, and of the disadvantages of Petitioner's machine. Tr. 704-711; 170-171; 174-177; 423-424; 177-178.

The Petition also omits mention of the holdings by both lower courts that the prior art is close. See opinion of District Court at A 13, 264 F. Supp. at 316; opinion of Court of Appeals at A 30, 158 USPQ 583.

As to Claim 14, the question presented is whether its "means" clause is entitled to a broad literal interpretation (according to which there would be infringement) or requires a narrow interpretation under 35 USC 112, last paragraph (according to which there is no infringement).

The Petition omits mention of the fact that Claim 14 was an afterthought which was introduced into the patent application only after Petitioner had demanded and received access to Respondents machine and had inspected it. Def's. Exhibit 2, pages 45-47; 28-29; Tr. 611-612.

As to both Claims 11 and 14, the Petition leans heavily on *Graver v. Linde,* 339 US 605 (1950)[2] and quotes at length from that case at pages 14 to 16. However, the quotation in the Petition stops one sentence short and is limited to that aspect of the doctrine of equivalents which favors Petitioner's side of the case and entitles a patentee to a broad, non-literal interpretation of his claim. But the next sentence of *Graver II,* following case citations, presents the other side of the coin. This side of the coin was relied upon by the courts below. The applicable sentence (which was omitted from the Petition) reads as follows:

> "The wholesome realism of this doctrine is not always applied in favor of a patentee but is sometimes used against him. Thus, where a device is so far changed in principle from a patented article that it performs the same or a similar function in a substantially different way, but nevertheless falls within the literal words of the claim, the doctrine of equivalents may be used to restrict the claim and defeat the pat-

2. This is the second *Graver* case *(Graver II)* which dealt with the issue of infringement. The earlier *Graver* case *(Graver I)*, which is discussed below in connection with the two court rule, dealt with validity. The parties and the patent were the same in *Graver I* and *Graver II.*

entee's action for infringement. Westinghouse v. Boyden Power Brake Co., 170 U.S. 537, 568, 18 S.Ct. 707, 722, 42 L.Ed. 1136."

It is, therefore, clear that many facts were adduced at the trial which influenced the decision of the District Court in favor of Respondents and which influenced the Court of Appeals in its *per curiam* affirmance of the decision of the District Court. Clearly this is a case decided upon particular facts developed at a trial and falls clearly within the two-court rule of *Graver I*. See page 6, *infra*.

## II. No Conflict of Authorities Is Asserted Except for an Alleged (but Nonexistent) Conflict Between the Patent Office on the One Hand and the Lower Courts in the Present Case on the Other Hand as to the Interpretation of a Statute (35 USC 112, Last Paragraph)

The only asserted conflict is a supposed conflict between the Patent Office interpretation of the claims, or some of them, and the interpretation placed upon these claims by the courts below. Assuming that the Patent Office did in fact interpret Petitioner's claims, or some of them,[3] no authority is cited for the proposition that a Court in an infringement suit is bound by that interpretation. Prosecution of a patent application in the Patent Office is *ex parte;* a defendant in a subsequent infringement suit is not a party to this proceeding; and at a subsequent trial where a defendant is represented, new facts are usually brought out (and were brought out in this case) which were not

3. Mr. Limbach's affidavit in support of Petitioner's petition to make special, which is reproduced at A5, merely asserts that "some of the claims in this application are unquestionably infringed by said [Respondents'] device". No specific claims were identified; therefore we do not know whether the Patent Examiner regarded any of Claims 4, 5, 11 and 14 as being infringed.

before the Patent Office. *Graver II* is ample authority for the proposition that the literal language of a patent claim provides only a *prima facie* basis for determining infringement or non-infringement and that the particular facts and circumstances developed at a trial may lead to a construction of a claim which is broader or which is narrower than a literal reading of the claim. In the present case, the facts and circumstances developed at the trial persuaded both courts below that the claims are entitled only to a narrow, non-infringing construction. The present case is clearly one calling for application of the two court rule of *Graver I*.

### III. No Important Question of Law Is Presented; No Reason Is Given for Departure from the Two Court Rule of Graver I; and No Reason Is Given for Departure from the Rule of File Wrapper Estoppel in Exhibit Supply v. Ace Patents

No important question of law is stated in the Petition. All the Petition says on this point is that the case should have been decided differently.

The "two court rule" is stated in *Graver I* at 336 US 275 as follows:

> "A court of law, such as this Court is, rather than a court for correction of errors in fact finding, cannot undertake to review concurrent findings of fact by two courts below in the absence of a very obvious and exceptional showing of error. Goodyear Tire & Rubber Co. v. Ray-O-Vac Co., 321 U.S. 275, 64 S.Ct. 593, 88 L.Ed. 721; District of Columbia v. Pace, 320 U.S. 698, 64 S.Ct. 406, 88 L.Ed. 408; Williams Mfg. Co. v. United Shoe Machinery Corp., 316 U.S. 364, 62 S.Ct. 1179, 86 L.Ed. 1537; Baker v. Schofield, 243 U.S. 114, 118, 37 S.Ct. 333, 334, 61 L.Ed. 626."

That rule is applicable here.

Regarding file wrapper estoppel, this Court in *Exhibit Supply Co. v. Ace Patents Corporation*, 315 US 126, 136

(1942) stated the rule that when a patentee introduces language into his claim to overcome a rejection by the Patent Office he may not ignore that language in subsequent litigation. See also *Lockwood v. Langendorf*, 324 F.2d 82, 88 (9th Cir., 1963) and *Top-Scor Products, Inc. v. The H. C. Fisher Company*, 257 F. Supp. 775 (D.C., N.D., Ohio, 1966). No reason is given for departing from that rule in this case.

## CONCLUSION

It is apparent that the Petition is without merit and should be denied.

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## *Appendix*

### Excerpts from the File Wrapper (Patent Office File) of the Patent in Suit

"The apparatus claims differ from Shaver much more substantially than merely by the reversal of the positions of the tables 10 and 11 since applicants' mounting of the tool and stylus both between the two tables results in a substantially different manner of operation of the apparatus, for instance, in that applicants employ as a pattern not an ordinary topographical map as employed by Shaver but instead a reversed print of such a map (see page 3, line 10 at et seq). For these reasons, it is respectfully submitted that it would not be obvious to one skilled in the art to construct the apparatus claimed from a prior knowledge of Shaver." (Defs' Exh 2, page 23).

"Furthermore, applicants' device and the Shaver device differ substantially in that this pattern used in applicants' device must be a photographic reverse print whereas the pattern in the Shaver device is not a reverse print. If a man skilled in the art is to consider employing the oppositely facing tool and stylus of Woody in the Shaver apparatus, he must conceive of the operational method applicants employ where a reverse print of the topographical map is made for use with the apparatus. It is respectfully submitted that the conception of employing a reverse print of the topographical map or pattern is an antecedent to conception of applicants' apparatus which makes the conception of applicants' apparatus unobvious from the references. Thus, the apparatus as it is claimed recites a tool and stylus facing in opposite directions for use with a reverse print of a topographical map. While Woody shows tool and stylus facing in opposite directions, neither of the

references shows any contemplation of the use of a reverse print pattern. The Woody device might inherently require the use of a reverse print pattern if a pattern like Shaver's were employed, but the pattern used in the Woody device is totally unrelated to the type of pattern which is used in making topographical models. Because the groove 21 in the Woody template is symmetrical on both sides of the axis of the bearing 11, the Woody device does not have any pattern component which needs reversal because of the oppositely facing arrangement of the tool and stylus. In a reverse print pattern, portions of the pattern are reversed right to left along both horizontal axes, and such reversal of the pattern is not necessary in the Woody device since the Woody device operates symmetrically in all radial directions.

Thus, the modification of Shaver to incorporate opposed tool and stylus from Woody would require the conception of a method of use of the apparatus which would not be obvious to a man skilled in the art. If a man skilled in the art did not conceive of applicants' method of using a reverse print, he would have to conceive of some other unobvious modification of Shaver, such as making the Table 14 and map 10 transparent, in order to permit the Woody structure to be used in the Shaver apparatus." (Defs' Exh 2, page 61-63).

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# In the Supreme Court of the United States

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OCTOBER TERM, 1968

**No. 600**

ARCHITECTURAL MODELS, INC., a California corporation,

*Petitioner,*

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NILS C. NEKLASON and DONALD NUSBAUM, doing business as SCALE MODELS UNLIMITED,

*Respondents.*

## Petitioner's Reply and Supplemental Brief

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# In the Supreme Court of the United States

OCTOBER TERM, 1968

**No. 600**

ARCHITECTURAL MODELS, INC., a California corporation,

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*Respondents.*

## Petitioner's Reply and Supplemental Brief

### The Conflict Between the Ninth Circuit and the Patent Office

Respondents attempt to imply that the Petition presents issues of fact on which two courts below have agreed. There are no issues of fact in this case.

There is no dispute about the content of the prior art or the structure or mode of operation of either Petitioner's or Respondents' machine. Respondents have not questioned the truth of any of the factual statements in the Petition, and Petitioner doesn't question the truth of any factual statement in Respondents' Brief. There is no dispute about what the claims say; literally they are infringed by Respondents' machine.

What this case does involve is an important legal issue: "Do patent claims mean what they say?" The Patent Office and the lower courts are in direct conflict on this issue.

### The Conflict Between the Ninth and Fifth Circuits

Since the Petition was filed in this case a decision has been reported from the Court of Appeals for the Fifth Circuit which is in direct conflict with the Ninth Circuit decision on the basic issue "Do patent claims mean what they say?"

In *Williams Bit & Tool Co. v. Christensen Products Co.*, 399 F.2d 628, decided August 19, 1968, the lower court had held a patent valid but not infringed even though the defendant's devices fell within the literal words of a claim of the plaintiff's patent. The lower court had reached its decision based on arguments made to the Patent Office by the patentee's attorney, as the District Court in this case based its decision on the arguments quoted in the appendix to Respondents' Brief.

The Court of Appeals for the Fifth Circuit reversed the holding of non-infringement because the patent claim meant what it said. The Court said at 399 F.2d 634:

> "Here the district court found, and we agree, that the defendant's accused stepfaced bit falls within the literal words of claim 5 of the patent in suit. This should have ended the inquiry so far as concerns the alleged estoppel since, as we have pointed out, it is the language of the specification and claims which the Patent Office has approved which defines and limits the invention. *It was, therefore, error for the court to deny to the plaintiffs the literal scope of their claim 5 and to hold, on the basis of an attorney's argument in the Patent Office, that the claim must be limited beyond what its language requires.* In Graver Tank Co. v. Linde Air Prod. Co., 1950, 339 U.S. 605, 607, 85

> USPQ 328, 330, the Supreme Court said, "In determining whether an accused device or composition infringes a valid patent, resort must be had in the first instance to the words of the claim. If accused matter falls clearly within the claim, infringement is made out and that is the end of it." It is true that in the Graver Tank Co. case the Supreme Court recognized, as it had done in Westinghouse v. Boyden Power Brake Co., 1898, 170 U.S. 537, 568, that the doctrine of equivalents which is ordinarily available to a patentee may not be applicable in the case of an accused device which, although within the language of the claim, has so far departed from the principle of the patent and performs its function in so different a way as not to represent the invention. The district court applied this exception in the present case, we think wrongly." (emphasis added)

It is therefore apparent that there is a sharp and present conflict between the Ninth Circuit on the one hand and both the Fifth Circuit and the Patent Office on the other, and this conflict is fundamentally important to the day by day operation of the Patent System.

This Court should resolve this basic conflict as to whether patent claims mean what they say so that the Patent Office and the courts will apply the same standards in granting and enforcing patents and so that the scope of a patent claim will not depend on the circuit in which it is litigated. If this conflict is not resolved, continuing uncertainty will dissuade inventors from publishing their inventions and dissuade manufacturers from introducing new products because neither will be able to predict the scope of a patent with any degree of certainty.

Respectfully submitted,

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